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ILLINOIS COMMERCE
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2014 NOV -6 A 8:55

CHIEF CLERK'S OFFICE

Mark R. Johnson

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November 5, 2014

VIA HAND DELIVERY

Ms. Elizabeth Rolando
Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62701

Re: 14-NOI-01 ComEd's Initial Comments

Dear Ms. Rolando:

Pursuant to the Illinois Commerce Commission's Notice of Inquiry ("NOI") dated September 30, 2014, Commonwealth Edison Company submits the enclosed Initial Comments and Exhibit A in accordance with the schedule set forth in the NOI.

Please do not hesitate to contact me if you have any questions.

Very truly yours,



Mark R. Johnson

Enclosures

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

ILLINOIS COMMERCE
COMMISSION

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Illinois Commerce Commission
On Its Own Motion

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14-NOI-01

CHIEF CLERK'S OFFICE

Notice of Inquiry regarding retail
electric market issues

INITIAL COMMENTS OF COMMONWEALTH EDISON COMPANY

Commonwealth Edison Company ("ComEd") submits these initial comments in response to the Illinois Commerce Commission's ("ICC") Notice of Inquiry ("NOI"). Specifically, ComEd comments on two questions posed in the NOI, which are identified in Sections I and II *infra*.

I. Consumer Education

"5. Should utilities be required to display the supplier logo on a utility-consolidated bill?"

ComEd has organized its concerns regarding this question into three categories: (i) practical implementation issues and obstacles; (ii) cost recovery considerations; and (iii) legal issues. ComEd discusses each of these concerns in more detail below.

Implementation Concerns. Earlier this year, ComEd redesigned its residential bills to present billing information in a clear and concise customer-friendly format.¹ The redesigned bill reflects the input of a variety of stakeholders, including customers and alternative retail electric suppliers ("RES"). As shown in Exhibit A, this simplified bill format reflects three categories of charges – Electricity Supply Services, Delivery Services, and Taxes and Fees. By clearly categorizing these portions of the bill, customers are able to more readily distinguish the

¹ A sample bill is attached for convenience as Exhibit A.

different components of their bill and, ultimately, are equipped to comparison shop for retail electric supply among RESs or participate in a local municipal aggregation offering. Moreover, customers who have switched to a RES that is taking service under ComEd's Purchase of Receivables with Consolidated Billing ("PORCB") program are clearly able to view their associated power and energy charges and easily identify which RES is providing service and how to contact their RES. ComEd also added a consolidated Message Center section to the bills that displays bill messages from ComEd and RESs using the PORCB program.

During the bill redesign process, ComEd also learned that its bill print vendor does not have the functionality to include logos on the bills, much less the logos of nearly 50 different RESs that participate in the PORCB program. However, even if ComEd were to seek to establish this service with a bill print vendor in the future, complex information technology ("IT") issues would need to be addressed. Specifically, it is ComEd's understanding that the current electronic data interchange ("EDI") standards would need to be revised to accommodate the transfer of logos from RESs to the utility to be printed onto the consolidated bill. EDI is the computer-to-computer exchange of electronic business information in standard, non-proprietary, machine-readable formats. Using EDI "standards" (rules for data format) helps ensure successful exchanges of electronic data, and, in particular, ensures that ComEd's and RESs' computer systems are able to communicate so that billing, usage, and payment information can easily be exchanged.

Currently, however, there is no EDI standard in place that would facilitate the transfer of logos. Assuming these standards could be developed, it would also be necessary to explore the bill print vendor's capabilities regarding the unique printing requirements for each logo, including, for example, the need for additional colors not already reflected on ComEd's bills and

issues associated with the resolution and appearance of the logo as applied to the bills. Further, logo sizes and complexity vary, which creates uncertainty regarding whether a given logo will be legible or recognizable based on the size and area available to display it on the new bill. Given that there are currently nearly 50 RES logos, this process could quickly become extremely costly and unwieldy to implement and administer.

Timing and Cost Concerns. To overcome the implementation issues described above, a substantial amount of time and capital would need to be invested in exploring the challenges posed by the EDI framework, as well as the challenges unique to each electric utility (*e.g.*, current bill format and capabilities of current bill print vendor). In other words, ComEd anticipates not only start-up costs associated with IT changes, but also ongoing, permanent increases related to print vendors and accommodating nearly 50 RES logos of varying color schemes, complexity and resolution. Additionally, ComEd expects to incur increased utility expenses associated with managing the logo process, including accommodating new RESs and RES logo changes that may occur over time in the normal course of business. ComEd assumes that the costs it incurs would be recovered through Rider PORCB. However, given that ComEd's redesigned bill already clearly identifies, if applicable, the customer's RES in a well-defined section of the bill, lists RES contact information, and provides for messages from the RES, ComEd is concerned that the time and expense to reflect nearly 50 logos on utility bills would not be a prudent use of limited resources.²

Legal Concerns. As an initial matter, no requirement exists in Illinois statutes or rules that a utility must reflect a RES's logo on the utility's bills. Interestingly, the Commission first considered an analogous issue in the context of implementing the Single Billing Option ("SBO")

² Moreover, because nonresidential bills have not been redesigned, additional costs to redesign those bills and add logos would include even more expense.

under Section 16-118(b) of the Public Utilities Act (the “Act”). The SBO, which ComEd offers under its Rider SBO – Single Bill Option, is essentially the converse of PORCB. SBO authorizes *the RES* to issue a single bill to retail customers taking supply service from the RES, which would also include the delivery services charges from the electric utility. In the course of considering Illinois utilities’ various delivery services implementation plans and tariffs, the Commission had the opportunity to address whether RESs should be required to include *the utility’s* logo on the RES-issued bills. The Commission orders uniformly reflect the conclusion that RESs could not be required to do so.³ Given that RESs would only have to contend with a limited universe of electric utility logos, these Commission orders are even more persuasive here where the utilities are receiving information from nearly 50 RESs. Just as RESs are not required to reflect electric utility logos under the SBO, electric utilities should not be required to reflect RES logos under PORCB.

In addition, to the extent electric utilities were required to reflect RES logos on utility-issued bills, complicated trademark issues would need to be addressed and resolved. For example, RESs would need to authorize the utility to use their logos, as well as fully indemnify the utility from any claims that could arise in conjunction with the utility’s use of the logos. Moreover, careful consideration would need to be given to the issue of customer confusion that might be created by adding a RES logo to the utility’s bill, including any misimpression that the appearance of the two logos on the same bill means the utility and RES are affiliated or engaged

³ See, e.g., *Re Central Illinois Light Co.*, ICC Docket Nos. 99-0119, & 99-0131 (Cons.), Order (Aug. 25, 1999), 1999 WL 1005210 at 62 (concluding that the only required items a RES must place on its bill are the name of the delivery service provider and the line item charges the utility provides to the RES); *Re Central Illinois Public Service Co. dba AmerenCIPS*, ICC Docket No. 99-0121, Order (Aug. 25, 1999), 1999 WL 1016969 at 89 (same); *Illinois Commerce Comm’n.*, ICC Docket No. 00-0494, Interim Order (Oct. 18, 2000), App. A. at 4 (reflecting parties’ stipulation that “[n]o utility will require any RES to include its logo on any bill issued under the single bill option”).

in a co-marketing effort. Continuing with the current “plain text” identification of the RES, however, avoids these issues.

II. Cancellation/Rescission

“2. Should the Commission change the rescission period for customers with a smart meter? If so, what should the new rescission period be?”

When a mass market customer taking supply service from the electric utility elects to take supply service from a RES (or does not opt out of a municipal aggregation program), the customer must be switched during the four day billing window – *i.e.*, on either of the two days prior to the customer’s scheduled meter read date, the day of the meter read date, or one day after the meter read. The billing window is designed to accommodate challenges the utility may encounter during the meter reading and billing process by providing a few extra days around the scheduled meter read date. To ensure that changes to pending switching requests are resolved prior to the start of the billing window, the customer must cancel (or “rescind”) the pending switch no later than five days prior to the scheduled switch date.

The question posed by the NOI appears to be premised upon the assumption that the installation of smart meters will alter the billing window timeframe, which would in turn provide a basis for altering the rescind period. As an initial matter, however, ComEd believes this question is premature because its advanced metering infrastructure (“AMI”) and smart meter deployment is currently underway and will not be completed until late 2018 (based on current estimates). As a result, it would be extremely difficult, and likely cost prohibitive, to attempt to change the rescission period for only those customers who have a smart meter and thereafter attempt to monitor deployment and update rescission periods accordingly.

Moreover, and perhaps more fundamentally, there has been no indication that the installation of smart meters will eventually warrant a change to the billing window. While smart

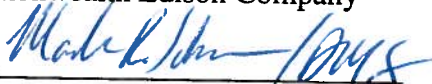
meters certainly create efficiencies in the meter reading process and generally obviate the need for a meter reader to visit the customer's premises, issues can arise regarding the transmission and processing of meter usage data from the smart meters. ComEd is also concerned that treating customers differently on the basis of whether they have received a smart meter could pose discrimination issues under Section 9-241 of the Act, especially because no basis exists for altering the billing window for customers with smart meters.⁴

In sum, this particular question should be tabled until AMI deployment is completed and experience can be gathered regarding any changes that might be warranted to the current billing window.

Dated: November 5, 2014

Respectfully submitted,

Commonwealth Edison Company

By: 
One of its attorneys

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⁴ While the impetus for this question is unclear, to the extent it is prompted by concerns regarding customers seeking to terminate variable rate contracts with RESs once they learn that their rates will change, ComEd suggests that changes be made to Part 412 of the Administrative Code regarding RES disclosure of pricing rather than changing switching rules and rescission periods.



An Exelon Company

SERVICE FROM 10/10/13 THROUGH 11/8/13 (29 DAYS)

► Retail Delivery Service - Res Heat Multiple

► CUSTOMER
ADDRESS 1
ADDRESS 2
CITY, STATE ZIP
PHONE #

► Issued 11/12/13 ► Account # 0000000000

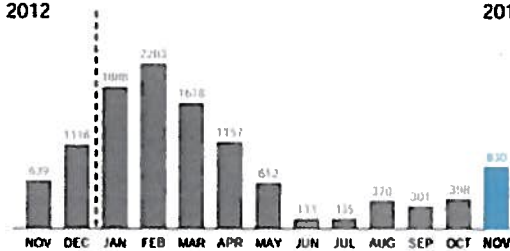
► Total Amount Due by 12/4/13 **\$87.60**

► Thank you for your payments totaling \$47.55.

► TOTAL USAGE (kWh)

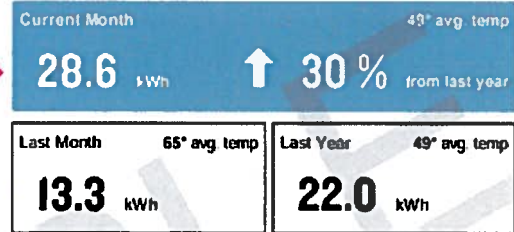
2012

2013



Current month's reading is actual.

AVERAGE DAILY USE (monthly usage/days in period)



► Ten 100W light bulbs for 1 hour = 1 kWh

CURRENT CHARGES SUMMARY

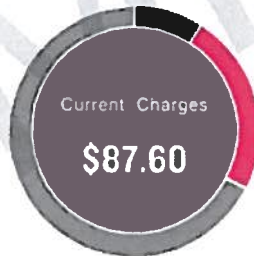
See reverse side for details ►

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Account # 0000000000



COMED
PO BOX 6111
CAROL STREAM, IL 60197-6111

Total Amount Due by 12/4/13 **\$87.60**

Payment Amount: